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RULE AND REGULATION 61  
INSURER REPORTS OF ARKANSAS PROPERTY AND CASUALTY CLAIMS  
EXPERIENCE PURSUANT TO ACT 166 OF 1993

SECTION

1. Purpose.
2. Authority and Scope.
3. Effective Date.
4. Reporting Requirements.
5. Severability.

SECTION 1. PURPOSE. The purpose of this Rule is to promulgate guidelines for licensed property and casualty insurers to follow in reporting Arkansas claims experience, premium income, and other related information on property and casualty policies and contracts; and to specify the format and content of the reporting form for the annual reports required by Act 166 of 1993. Further, the Arkansas Insurance Department shall compile, publish and make available the reports as to any particular insurer and year to any interested insured or citizen or their legal representatives.

SECTION 2. AUTHORITY AND SCOPE. This Rule is promulgated pursuant to the Commissioner's authority under Act 166 of 1993, and Ark. Code Ann. §23-61-108, §§25-15-201, et seq. under the Administrative Procedure Act, and other applicable laws. It is intended to apply to all licensed property and/or casualty insurers holding an Arkansas Certificate of Authority. It is not intended to apply to and shall not apply to foreign or alien registered risk retention groups, registered purchasing groups, automobile clubs or associations, or approved but not admitted surplus line insurers.

SECTION 3. EFFECTIVE DATE. This Rule and Regulation shall be effective on August 1, 1994, upon filing with Arkansas Secretary of State and the Arkansas State Library, pursuant to the provisions of Ark. Code Ann. §§25-15-201, et seq., as amended by Act 1106 of 1993.

SECTION 4. REPORTING REQUIREMENTS. (a) COMPILATIONS. Commencing on and after January 1, 1994, all licensed property and casualty insurers shall keep records of and compile the following data on its direct writings in Arkansas, and in particular on all Arkansas loss claims reported and incurred but not reported as to personal and commercial policies and contracts covering Arkansas risks, including those multi-state policies covering Arkansas persons or properties, or activity or business operations.

(b) REPORTING. (1) REPORT FORM. The reporting form as prescribed by the Commissioner, Form "AR 166" shall accompany the mailing of this Rule and Regulation to all licensed property and casualty insurers, and insurers shall duplicate the form and complete it for filing the annual reports coincident with the filing of their Annual Statement pursuant to Ark. Code §23-63-216. The claims reports are due no later than March 1st annually, unless the Commissioner has granted a time extension for good cause shown, after receiving such written requests from the insurer in advance of the March 1st annual deadline.

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1 (2) DISKETTE FILINGS. In lieu of a hard copy report filing, filing of  
2 the annual reports required by this Rule and Regulation may be performed  
3 by diskette filings, accompanied by a supporting hard copy, with the  
4 advance permission of the Department. Insurers may secure a Lotus format  
5 diskette from the Department for use in filing reports by diskette  
6 matching the prescribed format of Form AR 166, upon filing of a written  
7 request therefor accompanied by a twenty dollar (\$20) distribution and  
8 handling charge by company check or money order and payable to The State  
9 Insurance Department Trust Fund pursuant to the provisions of Act 652 of  
10 1993.

11 (3) FILINGS BY LICENSED RATE SERVICE OR ADVISORY ORGANIZATIONS. Pursuant  
12 to Ark. Code Ann. §§23-67-116 (2) and (13), licensed rate service or  
13 advisory organizations may file reports required by this Rule and  
14 Regulation on behalf of a member or subscriber insurer.

15 (c) WAIVER OF REPORTS. Timely written requests filed with the  
16 Commissioner before the due date asking his consideration for waiver of  
17 the reporting requirements on an annual basis shall be considered and  
18 granted for good cause shown for licensees under the following  
19 circumstances: (1) Insurers currently under court-ordered conservation,  
20 rehabilitation, or liquidation in their domiciliary states; (2) insurers  
21 whose Arkansas Certificate of Authority has been suspended, expired or  
22 revoked, or cancelled upon voluntary surrender; and (3) insurers under  
23 orders of supervision or conservation issued by the domiciliary insurance  
24 commissioner, director or superintendent. The Commissioner may grant  
25 such waivers upon his own initiative by taking judicial notice of  
26 property and casualty insurers under license suspensions or supervision  
27 in any state, under a suspended or expired or revoked or cancelled  
28 Arkansas license, or under any court-ordered conservation or  
29 rehabilitation or liquidation in any state.

30 (d) "ZERO" REPORTS REQUIRED. Other than insurers who have obtained  
31 waiver of the reports from the Commissioner as described in Section (c)  
32 above, property and/or casualty insurers with Arkansas Certificates of  
33 Authority listing a "reinsurance only" restriction, and direct writers  
34 with no direct-written Arkansas premiums in the reporting year, and  
35 insurers with no Arkansas losses (incurred and reported, and incurred but  
36 not reported) to report under Arkansas policies or contracts for the  
37 reporting period, shall all nonetheless be responsible for and shall  
38 continue to file the annual forms, but shall complete them by reporting  
39 "zero" or "none" or other applicable notations under the appropriate  
40 sections, and annotating the appropriate explanation on the form.

41 (e) FIRST ANNUAL DEADLINE. The first Report due under Act 166 of 1993  
42 shall be due no later than March 1, 1995, covering the 1994 calendar year  
43 reporting period.

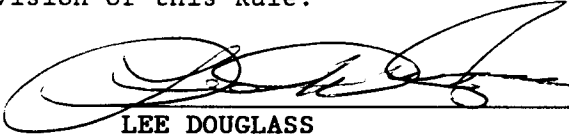
44 (f) PENALTIES. Any insurer failing to file the annual report when due in  
45 the absence of a time extension or waiver granted by the Commissioner, or  
46 any insurer filing a false or fraudulent report shall be deemed to have  
47 committed a Trade Practice violation under Ark. Code Ann. §23-66-205,  
48 §23-66-206 (5), and other applicable laws; and shall be subject to the

1 penalties recited in Ark. Code Ann. §23-66-210, including suspension or  
2 revocation of the Arkansas Certificate of Authority, and monetary fines  
3 and other applicable provisions of the Arkansas Insurance Code.

4 (g) FILING FEES; DEPOSIT OF FEES AND FINES. The annual filing fee shall  
5 be \$50 per insurer pursuant to the provisions of Act 652 of 1993.  
6 Insurer holding companies shall not file a consolidated report. All such  
7 filing fees are payable by company check, money order, and/or cashiers or  
8 certified check, and shall be payable to The State Insurance Department  
9 Trust Fund ("Trust Fund"). Upon collection the Commissioner shall  
10 immediately deposit all such fees into The Trust Fund as special  
11 revenues. Fines and other monetary penalties shall be deposited as other  
12 applicable Arkansas laws provide.

13 (h) COMMISSIONER'S ANNUAL PUBLICATION. The Commissioner shall compile  
14 and make available to the public the reports filed by each licensee as  
15 required by Act 166 of 1993 and the provisions of this Rule. The  
16 Commissioner shall also file copies annually with the Governor of the  
17 State of Arkansas, the Arkansas Legislative Council, the Arkansas  
18 Secretary of State, the Arkansas State Library, and the National  
19 Association of Insurance Commissioners. Fees payable to obtain the  
20 annual reports shall be made payable to the The State Insurance  
21 Department Trust Fund by personal check, cashiers or certified checks,  
22 money orders or cash. Upon collection, the Commissioner shall deposit  
23 such payments immediately into The Trust Fund.

24 SECTION 5. SEVERABILITY. Any section or provision of this Rule held by  
25 a court to be invalid or unconstitutional will not affect the validity of  
26 any other section or provision of this Rule.

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29 LEE DOUGLASS  
30 INSURANCE COMMISSIONER  
STATE OF ARKANSAS

31 7-21-94  
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DATE